



May 20, 2022

Governor Gavin Newsom
The Honorable Nancy Skinner, Senate Budget Chair
The Honorable Phil Ting, Assembly Budget Chair

RE: All Home response to 2022 May Revise Budget

Dear Governor Newsom, Senator Skinner, and Assemblymember Ting:

On behalf of All Home, I commend you for your efforts to balance the state's competing priorities in the 2022-2023 budget cycle, and thank you for the historic investments made in the past two years to increase housing and the response to the rise in homelessness. Since lack of affordable housing and homelessness continue to be the top concerns for most Californians, we hope this year's budget proposal can be refined in the coming weeks to keep making progress on these urgent challenges for our state. We believe that the current proposal misses some important opportunities to build on prior investments and continue the progress that has been made to increase housing infrastructure and support vital work to reduce homelessness.

The key investments included in the May Revise related to homelessness are:

- \$500 million in Encampment Clean Up Grants (competitive)
- \$500 million over two years for Crisis Response/Interim Housing on state-owned land intended as "bridge housing"
- \$150 million in additional Homekey funds
- \$64.7 million to fund state department and Judicial Branch costs associated with the new Community Assistance, Recovery and Empowerment (CARE) Court
- \$1 billion in flexible local funding in 2022-23 through the Homeless Housing, Assistance and Prevention (HHAP) Program that was provided through the 2021-22 budget. Future funding was indicated as a possibility based on "performance and need" and could require local entities to focus the spending on "highest priority needs, such as encampment resolution, Homekey operating sustainability, and CARE Court housing supports."
 - **All Home supports sustaining flexible HHAP funds at current levels for the next three years.**

Recommended additional investments

With historic investments in the past two years, California has begun making progress to address the housing affordability crisis that has been decades in the making. **Now is not the time to lose our momentum.** In addition, investment in housing as infrastructure is a tool to manage the state's constitutional spending limit — or Gann Limit. The [Regional Impact Council](#) of Bay Area leaders and All Home have been crystal clear that to truly make homelessness rare, brief and non-recurring it will take **concurrent investments** in interim housing, permanent housing, and homelessness prevention in a roughly 1:2:4 ratio.

We urge you to follow through on that concept. The May Revise is heavily weighted toward interim solutions. We support interim housing because the sidewalk shouldn't be the "waiting room" while more permanent housing is built. But without more homelessness prevention and permanent housing, residents will linger much longer than intended in interim housing that is not intended for long-term occupancy, but as a brief respite to heal and stabilize, while being connected to a more permanent living situation. We will not get out of our current situation with an "either or" strategy; we need a "yes, and" approach. With such a significant budget surplus we must fund all three strategies—interim/emergency housing, permanent housing, and homelessness prevention. Therefore we request the following be included in the 2022-2023 budget:

- \$500 million for a new homelessness prevention competitive grant program, linked to improving health and reducing racial disparity in who is becoming homeless. We propose a pilot program that is offered through DHCS that compliments CalAIM reform efforts. Prevention is crucial if we are to reduce or end homelessness, but it continues to be underfunded.
- \$500 million Homekey Supportive Services Fund. We recommend that the State create a flexible matching fund that Homekey projects can draw on to help resolve the "obligation cliff" inherent in the current financing structure.
- \$150 million for Right to Counsel in Eviction Defense.

Housing

- We support the Governor's May Revise proposal of \$500 million for adaptive reuse to convert commercial buildings into affordable housing and request the following additions:
 - \$500 million for Multifamily Housing Program
 - \$500 million for Housing Accelerator Program
 - \$100 million for the Joe Serna Farmworker Housing Program
 - \$350 million for CalHOME Program
 - \$200 million for the Downpayment Assistance Program
 - \$50 million for ADU Financing Assistance, to help spur increase in housing supply through ADUs

Equally important in this equation is economic security and mobility. We support the \$10 million in the May Revise for efforts to increase awareness of California's Earned Income Tax Credit (CalEITC) and Young Child Tax Credit, connect tax filers with low incomes to free tax preparation services, the 11% increase to CalWorks grants. In the context of rising inflationary pressures, we must ensure that our lowest income residents have both an adequate safety net and the opportunity to increase their incomes. Therefore we urge your support to fund the following in this budget:

- The Roberts Enterprise Development Fund for the California Regional Initiative for Social Enterprises (CA RISE) Program (AB 2670 – McCarty)
- The Housing CA for the Reentry Housing and Workforce Development Program to provide stable housing and workforce training for recently incarcerated individuals experiencing or at risk of homelessness. (AB 1816- Bryan)
- The Economic Security Project California Success, Opportunity, and Academic Resilience (SOAR) Guaranteed Income Program (SB 1341- Cortese) and
- The increase to the Renter's Tax Credit (SB 843- Glazer)
- Restoration of SSI/SSP grant amounts as included in the State Senate's budget proposal.

We appreciate how extremely challenging it is to strike the right balance in designing a budget framework that will meet the needs of all Californians, as well as one that maintains fiscal responsibility while addressing emerging challenges such as rising inflation and climate resiliency. We thank you for your leadership and respectfully request that you continue to make reducing homelessness through prevention, emergency response, and housing investment your utmost priority.

Sincerely,



Tomiquia Moss
All Home
Founder and CEO